
FINAL RECOMMENDATIONS FOR THE BOARD OF OCCUPATIONAL THERAPY

RECOMMENDATIONS OF THE JOINT COMMITTEE ON BOARDS COMMISSIONS AND CONSUMER PROTECTION AND THE DEPARTMENT OF CONSUMER AFFAIRS

ISSUE #1: CONTINUE REGULATION OF THE INDUSTRY AND RENEW THE BOARD?

Recommendation #1: *The Joint Committee and the Department recommends that the Board should continue as the regulatory entity responsible for overseeing the profession of Occupational Therapy.*

Department Comments: The Department notes that Occupational Therapists (OTs) perform specialized therapy techniques on patients, with a focus on rehabilitation and corrective measures to help otherwise handicapped patients operate independently. Given the direct impact of OTs on their patients, especially the possibility of physical harm by unqualified practitioners, there is a compelling public need to continue licensing OTs.

ISSUE #2: ALLOW LICENSED OUT-OF-STATE PRACTITIONERS TO PRACTICE WHILE APPLICATIONS ARE PENDING?

Recommendation #2: *The Joint Committee and the Department recommends that the OT Practice Act be amended to allow practitioners licensed in other states to begin practicing immediately while their California licenses are being processed, but also recommends that this change include a requirement that the state in which the individual is licensed be determined by the Board to have licensing requirements equal to or higher than those of California.*

Department Comments: In its sunset report to the Joint Committee, the Board submitted language that would amend the Practice Act to allow out-of-state practitioners to practice occupational therapy in California for 60 days, providing they have applied for licensure as an OT or certification as an OT Assistant with the Board and they are concurrently licensed in another state. This proposal would allow practitioners licensed in other states to begin practicing immediately while their applications are processed, thereby eliminating a period during which one would normally be prohibited from practicing.

The Department notes that laws regulating other health-related professions and boards have similar provisions. However, most of these laws contain a requirement that the state in which the applicant is licensed have licensing requirement equal to or higher than those of California. The proposal by the Board did not include similar language. The Department recommends that the Practice Act be amended in a way similar to the Board's proposal. The changes should,

however, include language indicating that the state in which the individual is licensed must be determined by the Board to have licensing requirements equal to or higher than those of California and that these individuals are exempt from the examination requirement.

ADDITIONAL JOINT COMMITTEE-ONLY RECOMMENDATIONS

ISSUE #3: IS THE BOARD TAKING APPROPRIATE ACTION REGARDING ITS BUDGET SURPLUS?

Recommendation #3: *The Joint Committee recommends that the Board should work with DCA fiscal staff to resolve the discrepancy between revenues and expenditures, considering both fee reductions and strengthening enforcement staff or other essential board functions. Further, the Board should work with DCA fiscal staff on a way to reduce the excessive reserve level without putting the Board's fund in jeopardy and thereby necessitating a fee increase in the near future.*

Staff Comments: Board revenues have been roughly twice the amount of expenditures over the past few years, which has led to the Board amassing large surpluses, which is evident in their projected fund reserves. The fund reserve was at 21.7 months, or \$1,337,000, at the end of fiscal year 2004/05. Based on current fees, the reserve is projected to increase to 69 months, or \$4,519,000, by the end of fiscal year 2008/09. The Board's current annual license renewal fee is \$150.

At their January hearing earlier this year, the Board voted to transition to a biennial renewal (see Issue #4 below), and keep the license renewal fee at \$150, which would have the effect of cutting the license fee in half. This proposal has not yet been approved by the Administration.

Generally speaking, the goal for most regulatory boards is to have a reserve of no more than 6 months, although depending on the size of a board's fund and how much revenues and expenditures fluctuate, it is sometimes appropriate for a larger or smaller reserve fund.

ISSUE #4: SHOULD THE LICENSE RENEWAL PERIOD BE EXTENDED FROM ONE YEAR TO TWO YEARS?

Recommendation #4: *The Joint Committee, as part of its fee proposal to address the Board's excessive revenue and fund reserve level, the Board should adopt a two-year renewal period.*

Staff Comments: While the common practice for most regulated professions is for licenses to be renewed every two years, OTs and OTAs must renew their licenses every year. The Occupational Therapy Practice Act does not appear to mandate annual renewal; it states that "the board shall issue a license to any applicant who meets the requirements of this chapter, including the payment of the prescribed licensure, certification, or renewal fee, and who meets any other requirement in accordance with applicable state law" (Business and Professions Code Section 2570.9). The law goes on to state that "Initial license or certification and renewal fees shall be established by the board in an amount that does not exceed a ceiling of \$150 per year" (Business and Professions Code Section 2570.16).

Having a two-year renewal period, as opposed to a single year, is generally cheaper from an administrative perspective, since paperwork must only be handled every other year per licensee. Additionally, for those boards requiring continuing education, a two-year renewal period can often provide more flexibility to the licensee as to when he or she acquires the additional education or training.